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**EX PARTE**

January 6, 1999

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Ms. Magalie Roman Salas, Secretary  
Federal Communications Commission  
The Portals  
445 12<sup>th</sup> Street, SW, TW-A325  
Washington, D.C. 20554

RE: CC Docket Nos. 96-262, 94-1 / and RM 9210

Dear Ms. Salas:

Yesterday, representatives of Sprint Corporation met with Kyle Dixon of Commissioner Powell's staff to discuss Sprint's position in the above referenced proceedings. Representing Sprint Corporation were Jay Keithley and Richard Juhnke

Sprint requests that this information be made a part of the record in this matter. Five copies of this letter, in accordance with Section 1.1206(a)(1), are provided for this purpose. If you have any questions, please feel free to call.

Sincerely,

A handwritten signature in cursive script that reads "Jay C. Keithley".

Jay C. Keithley

Attachment

cc: Kyle Dixon

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## Sprint's Access Reform Proposal

**Objective:** Reduce interstate access charges to Forward Looking Economic Costs (FLEC)

**Method:**

- ◆ Maintain 6.5% productivity factor.
- ◆ Apply full annual reduction only to rate elements above FLEC.
- ◆ Cap CCLC revenues at growth in access lines.
- ◆ Focus current price cap performance review proceeding on identifying FLEC levels and determining appropriate transition.



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## Benefits of Sprint's Access Reform Proposal

### ◆ IXC's

- ❖ Access rates will come down faster than under the existing 6.5% productivity plan.
- ❖ TS access rates will be reduced to FLEC faster than under proposals to increase the productivity factor.

### ◆ LEC's

- ❖ Provides reasonable transition to FLEC.
- ❖ Ensures that access rates are not driven below FLEC.

### ◆ Consumers

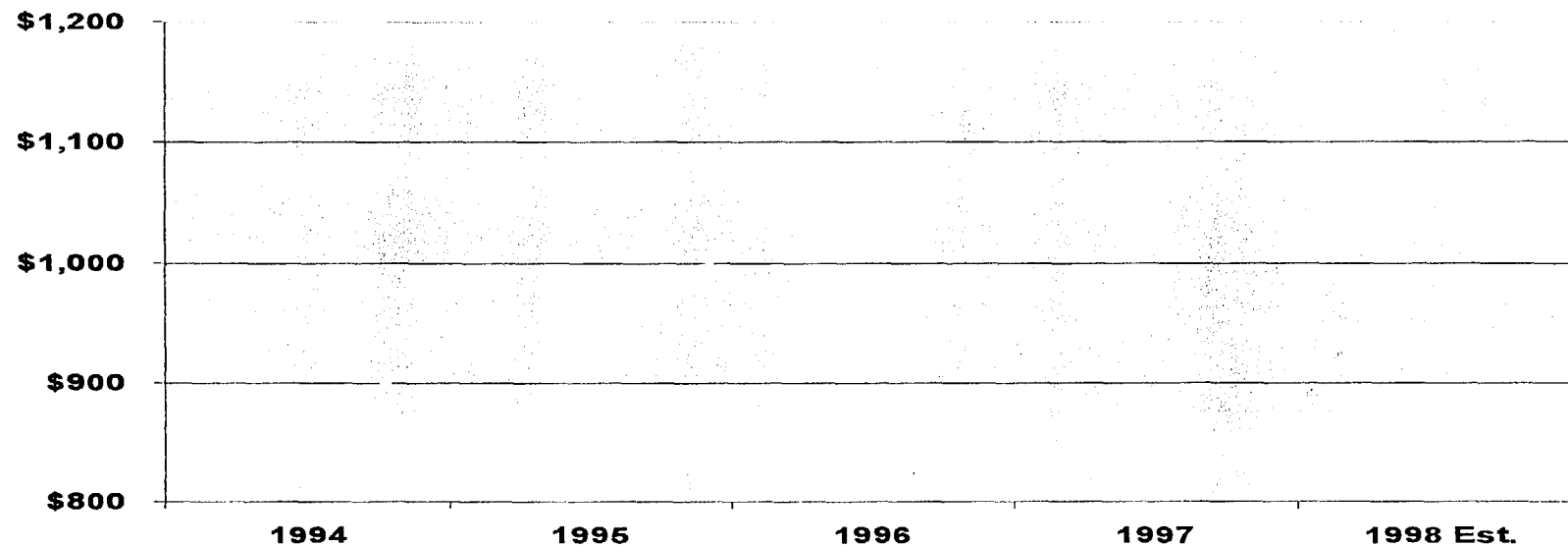
- ❖ Accelerated decreases in TS access rates will allow greater interstate toll rate reductions.



# Sprint

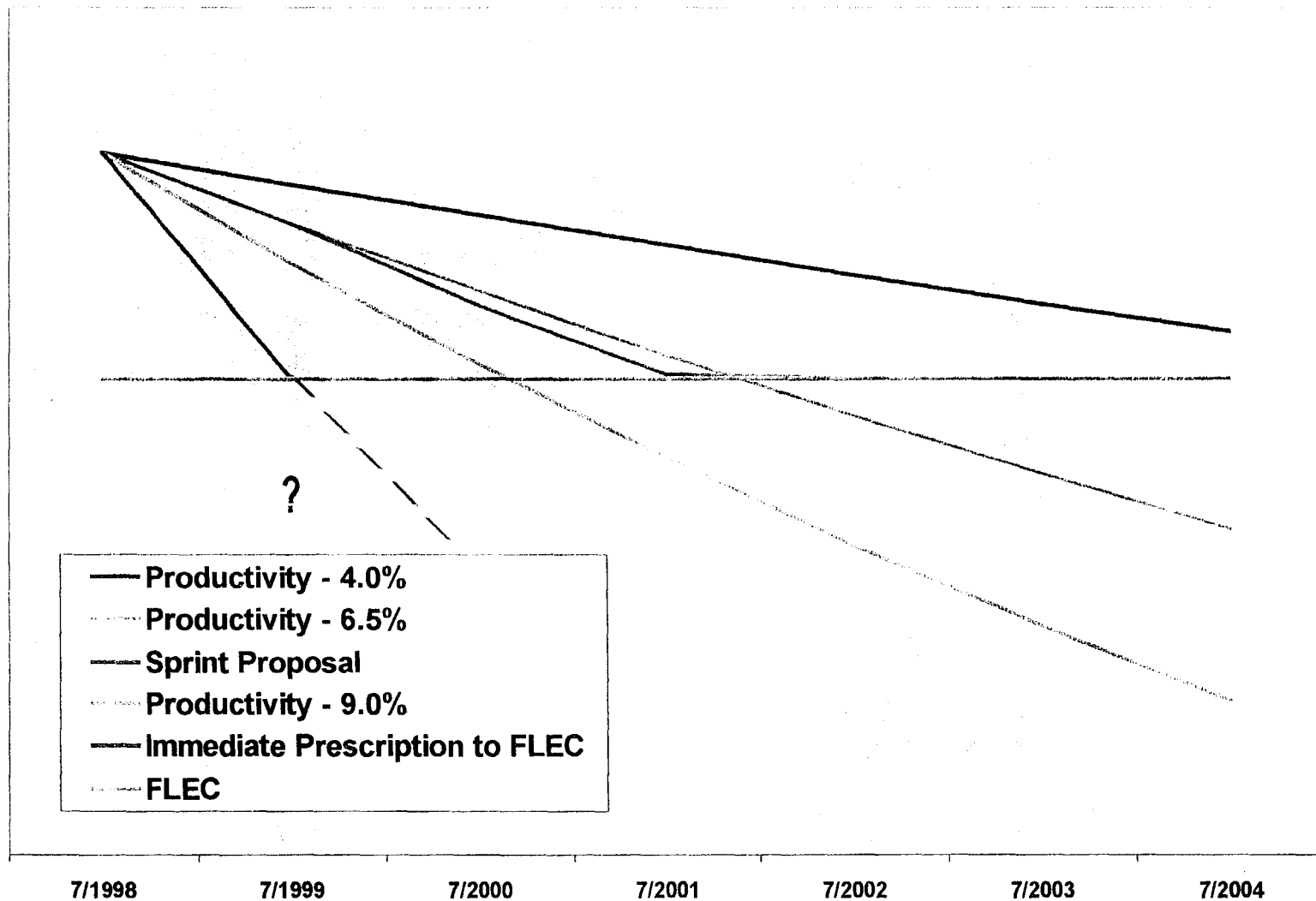
## Interstate Access REVENUES

( \$ in Millions )



	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998 Est.</u>
<b>Revenues</b>	879.6	953.3 8.39%	1,062.9 11.50%	1,091.0 2.65%	1,095.4 0.40%
<b>MOUs</b>	16,303	17,644 8.22%	19,631 11.26%	20,914 6.54%	22,641 8.25%
<b>Access Lines</b>	71,332	75,338 5.62%	78,930 4.77%	84,006 6.43%	88,837 5.75%

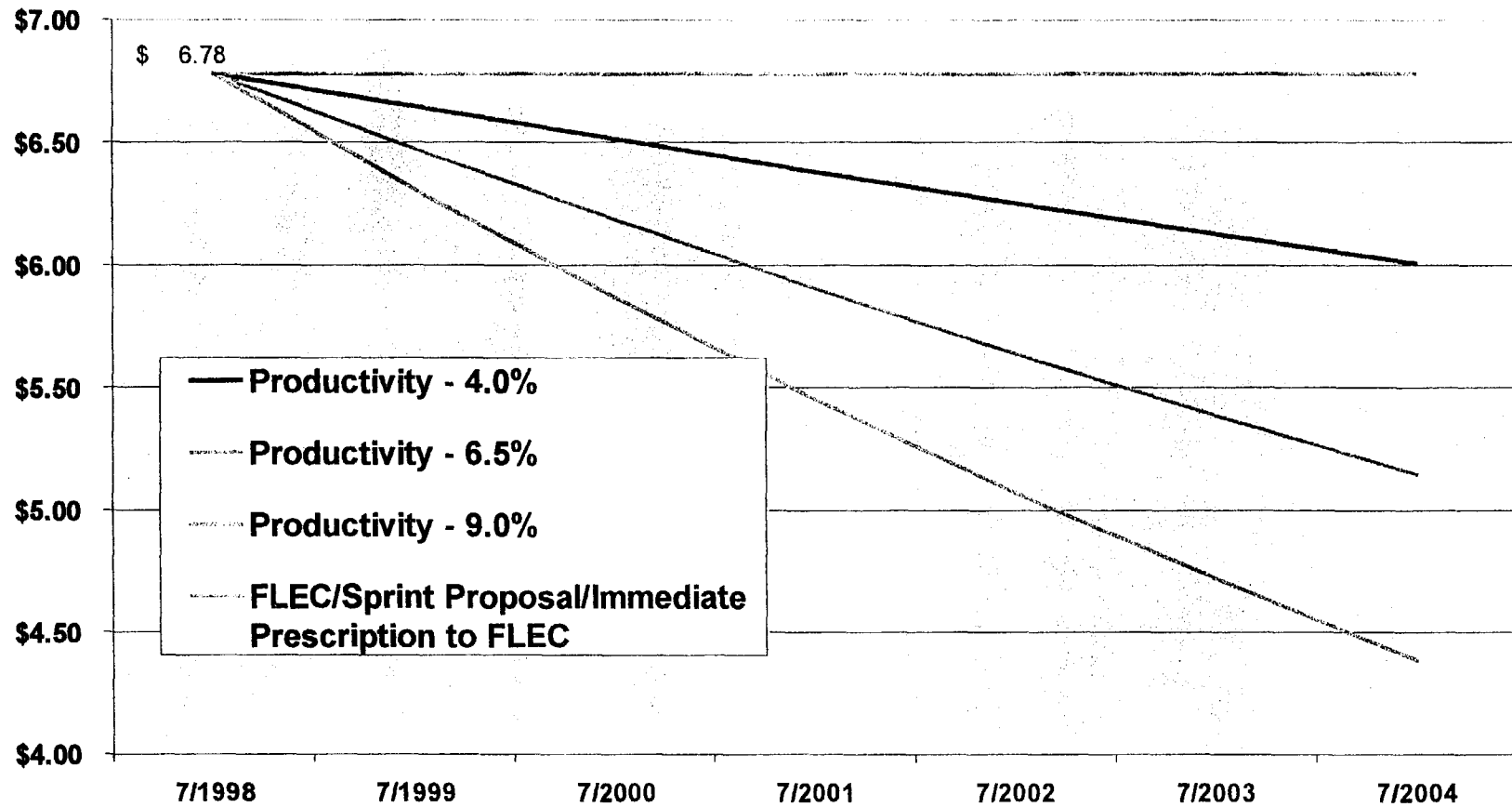
## Price Cap LECs Interstate Access Rates



# Price Caps LECs

## Average Revenue per Line

For Non-Traffic Sensitive (NTS) Elements\*

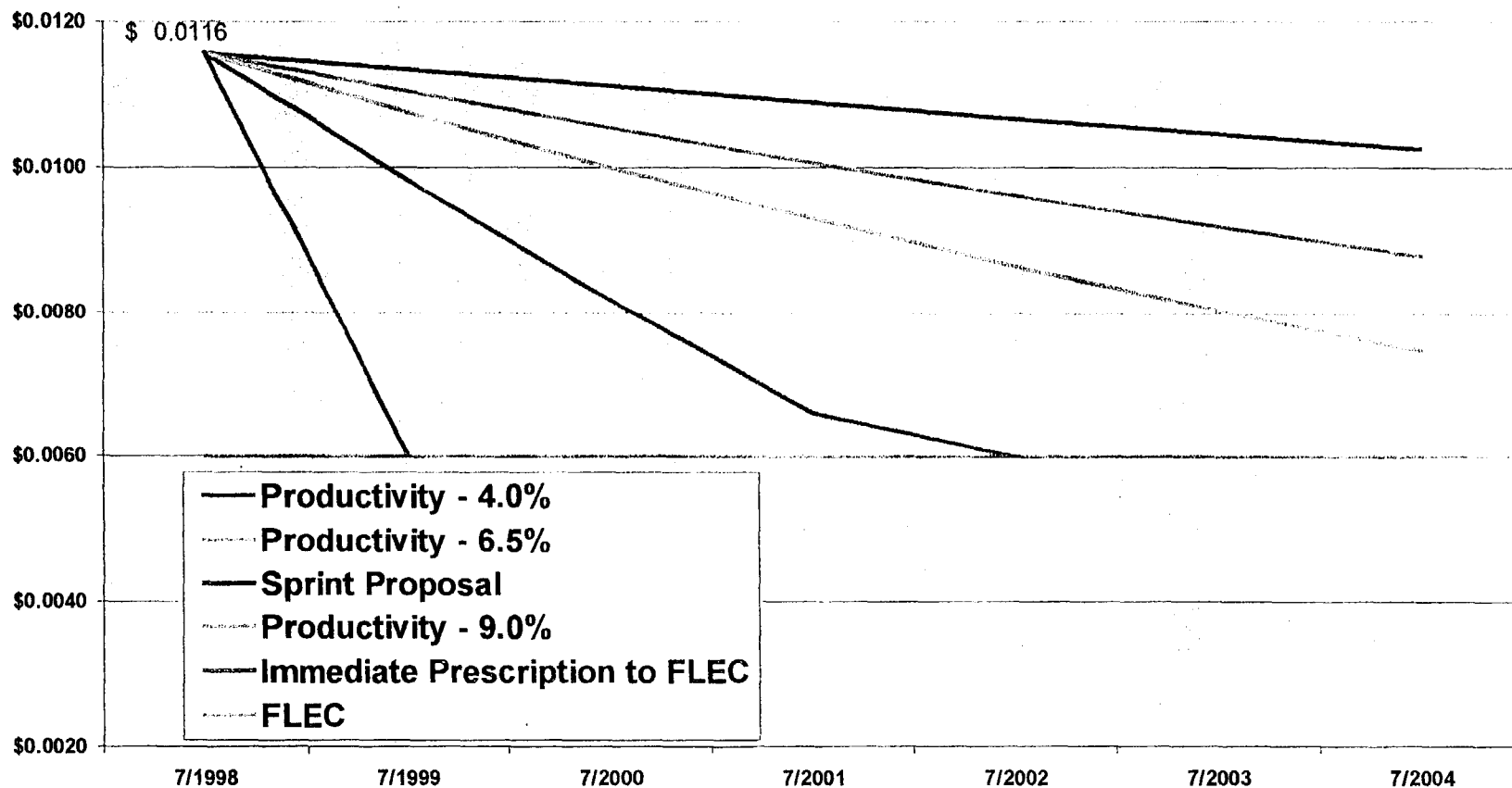


\* Loop, NTS Switching, and Marketing Expense

# Price Cap LECs

## Revenue per Minute

### For Traffic Sensitive Elements\*

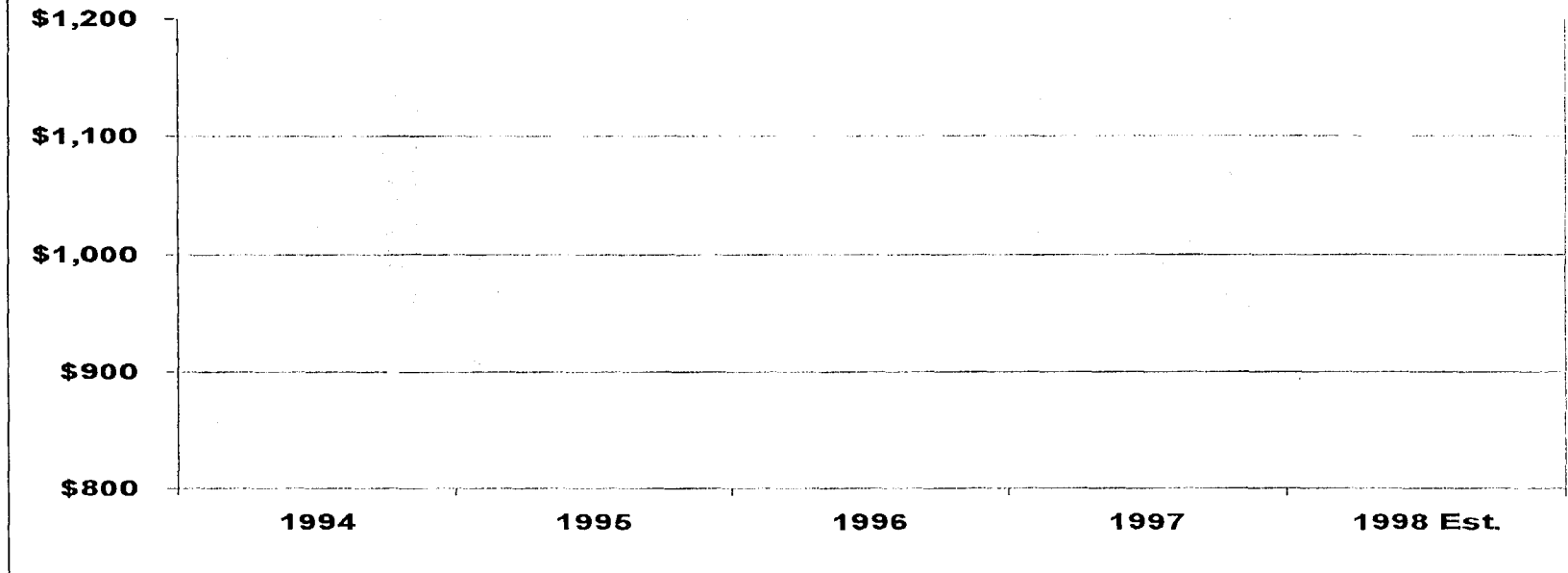


\* Local Switching and Switched Transport

# Sprint

## Interstate Access REVENUES

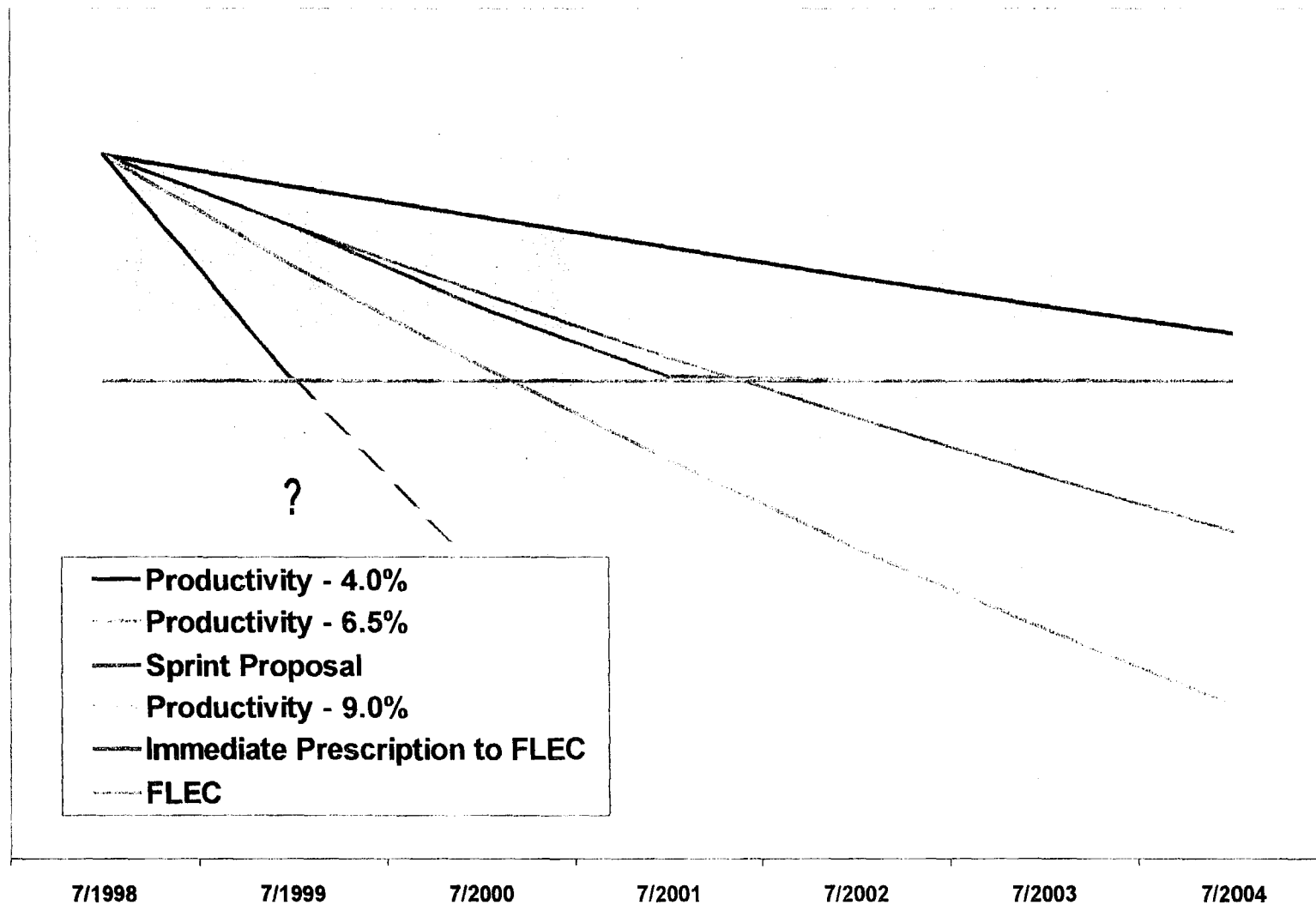
( \$ in Millions )



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		8.39%	11.50%	2.65%	0.40%
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		8.22%	11.26%	6.54%	8.25%
<b>Access Lines</b>	71,332	75,338	78,930	84,006	88,837
		5.62%	4.77%	6.43%	5.75%



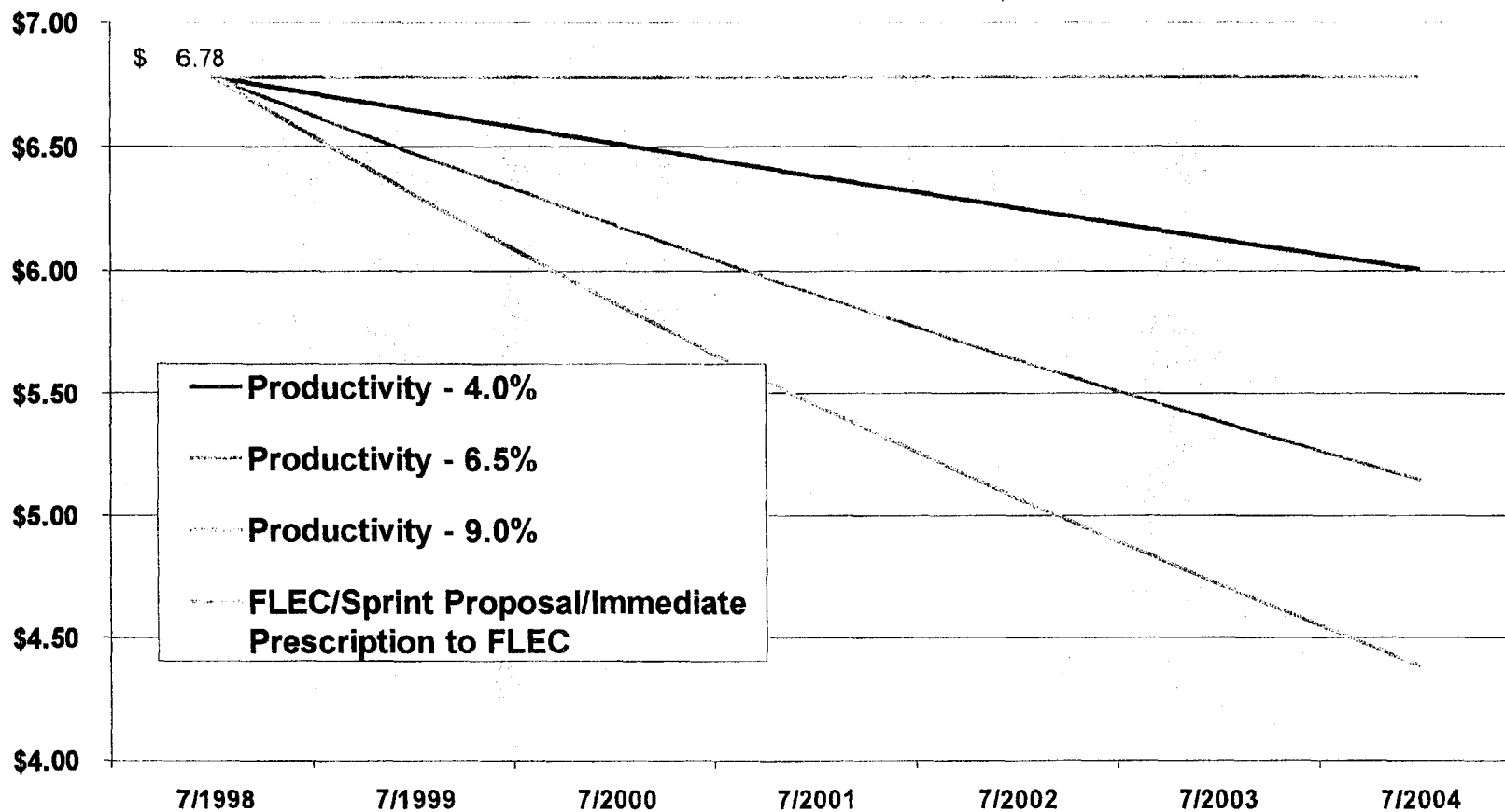
## Price Cap LECs Interstate Access Rates



# Price Caps LECs

## Average Revenue per Line

For Non-Traffic Sensitive (NTS) Elements\*

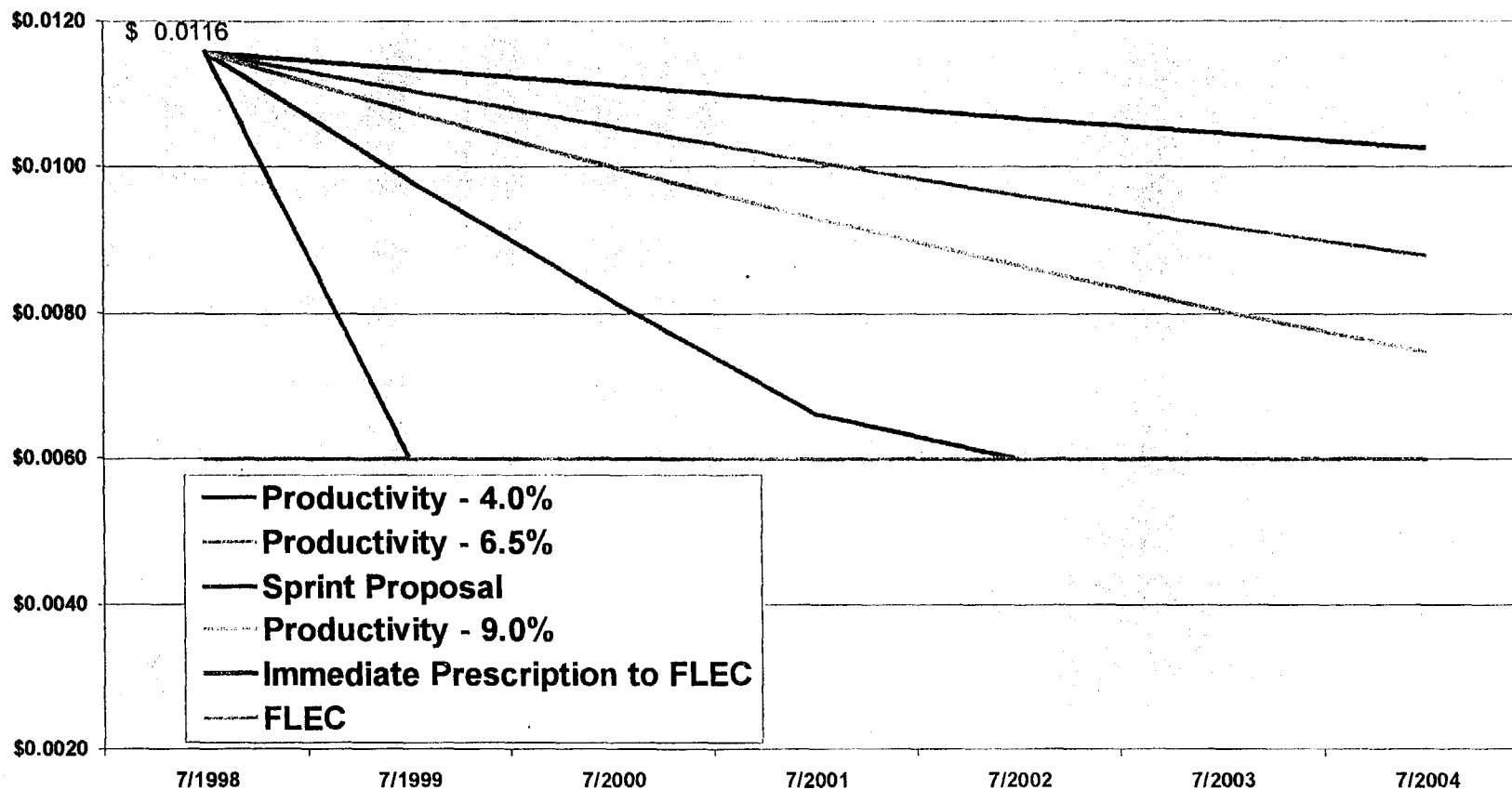


\* Loop, NTS Switching, and Marketing Expense

# Price Cap LECs

## Revenue per Minute

### For Traffic Sensitive Elements\*



\* Local Switching and Switched Transport